

Message Text

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PAGE 01 STATE 195174
ORIGIN ARA-14

INFO OCT-01 ISO-00 EB-08 TRSE-00 ABF-01 FS-01 SPTA-02
/027 R

DRAFTED BY ARA/PAN:RCAMAUR:JG
APPROVED BY ARA/PAN:RRWYROUGH
EB/IFD:WMILAM (SUBS)
-----065931 030322Z /70
P 022232Z AUG 78
FM SECSTATE WASHDC
TO AMEMBASSY PANAMA PRIORITY
INFO PAN CANAL PRIORITY

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E.O. 11652: N/A

TAGS: PN, EFIN

SUBJECT: TREASURY CUSTODY ACCOUNT

1. THE TREASURY DEPARTMENT MAINTAINS A CUSTODY ACCOUNT AT THE CHASE MANHATTAN BANK IN BALBOA OSTENSIBLY TO SERVICE PANAMA CANAL COMPANY NEEDS. IN FACT, THE ACCOUNT SERVES AS THE PRIMARY SOURCE OF U.S. PAPER CURRENCY IN THE ROP.
2. HOWEVER, THE ACCOUNT IS EXPENSIVE TO MAINTAIN AND IS INTEREST FREE. TREASURY, THEREFORE, IS DESIROUS OF CLOSING IT AND HAS REQUESTED STATE CLEARANCE TO DO SO.
3. TREASURY REPORTEDLY WANTED TO CLOSE THE ACCOUNT IN APRIL 1976 BUT WAS DISSUADED BECAUSE OF THE POSSIBLY ADVERSE EFFECT ON OUR RELATIONS AT A DIFFICULT MOMENT DURING THE TREATY NEGOTIATIONS.

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4. TODAY WE HAVE A MUCH IMPROVED SITUATION AND DEPARTMENT IS UNDER THE IMPRESSION THAT OTHER SOURCES OF CURRENCY SUPPLY ARE AVAILABLE TO THE ROP. HOWEVER, WE HAVE AN ADDITIONAL CONCERN AS TO THE EFFECT CLOSING OF THE ACCOUNT COULD HAVE ON CONTINUED IMPLEMENTATION OF THE 1904 U.S.-PANAMA MONETARY AGREEMENT.

5. REQUEST EMBASSY RECOMMENDATION ON WHETHER THE TREASURY
ACCOUNT AT CHASE MANHATTAN SHOULD BE CLOSED. VANCE

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Message Attributes

Automatic Decaptioning: X
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Draft Date: 02 aug 1978
Decaption Date: 01 jan 1960
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Disposition Approved on Date:
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